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National Renewable Energy Laboratory  
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# Competitive Market

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2,039.5 megawatts of load have switched to competitive suppliers:

591,596 customers served by competitive suppliers

574,661 residential customers served by competitive suppliers

16,479 commercial customers served by competitive suppliers

456 industrial customers served by competitive suppliers

32.6% of Duquesne's residential customers have switched

28.7% of PECO's residential customers have switched

For most residential customers, without stranded costs, competitive rates are from 0.50 cents to 3.65 cents below historic monopoly rates.



## Number of Customers Served By An Alternative Supplier as of July 1, 2001

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	Residential	Commercial	Industrial	Total
<b>Allegheny Power</b>	1,502	98	-	1,600
<b>Duquesne Light</b>	171,230	5,698	157	177,085
<b>GPU Energy</b>	4,262	517	57	4,836
<b>PECO Energy</b>	393,348	7,474	150	400,972
<b>Penn Power</b>	1,503	80	8	1,591
<b>PPL</b>	2,725	2,588	84	5,397
<b>UGI</b>	91	24	-	115
<b>Total</b>	574,661	16,479	456	591,596

Pennsylvania Office of Consumer Advocate  
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# Comparing Green Prices to Dirty Power

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Utility	1996 Monopoly G&T Rate	Shopping Credit	Lowest Price 1999	Lowest Price 2000	100% Green
Allegheny	5.30	3.25	2.90	2.59	7.09
Duquesne	8.75	4.89	4.10	3.80	6.49
GPU Met Ed	5.70	4.53	4.07	3.62	7.09
GPU Penelec	5.40	4.53	4.07	3.62	7.09
PECO	8.65	5.65	4.69	4.52	6.37
PPL	6.26	4.60	4.09	3.70	7.09



# Utilities

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- Utilities' bond ratings were not affected by transition.
- Utilities were allowed an opportunity to recover 100% of approved, not claimed, stranded costs.
- GPU and Duquesne have divested about 5000 megawatts of generation.
- No utility was required to divest generation.
- All utilities are free to use any financial instrument to buy or sell power, including forward contracts.
- Nearly all charges for stranded costs and other transition costs expire from 2002 to 2010.
- PECO Energy merger completed; GPU merger pending.



# Consumers

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- Consumer savings totaled \$2.84 billion by 2000.
- Most consumers received from a 2% to 8% one-year rate cut.
- PECO customers were/are to receive rate cuts from 1999 to 2005.
- Total rates are capped at January 1, 1997 levels until 2005 in many cases.
- Generation rates are capped at set levels until 2010 in most service territories.



# Environment & Universal Service

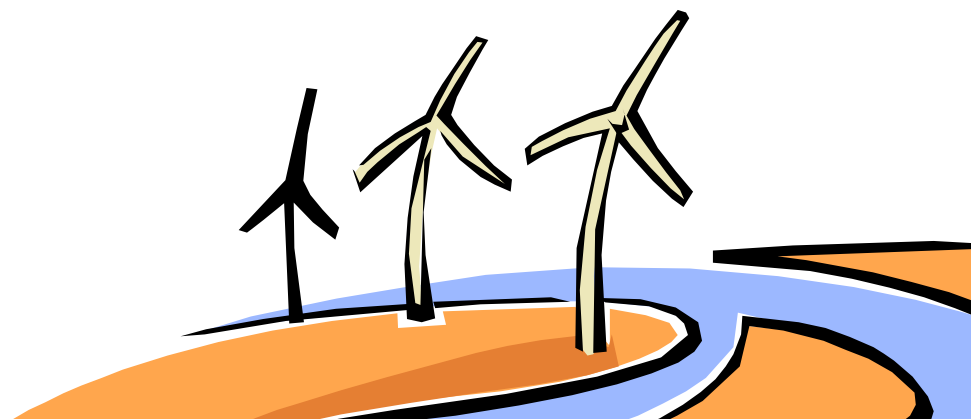
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- Budgets for low-income assistance programs have nearly quadrupled from pre-competition levels.
- Budgets for energy conservation targeted at low-income families have quadrupled.
- Renewable energy and cleaner energy products are available. 80,000 customers have switched to such products.
- Pennsylvania has had its first and second wind farms developed and should have 100mW of wind generation operating by 2002.
- Four Sustainable Development Funds have been formed with \$75 million of funding to support clean energy initiatives.



# Pennsylvania Wind Energy Development

Existing	Operator	Online	Capacity	Power Purchaser/User
Humboldt Industrial Park Hazleton	Energy Unlimited	December 1999	0.13 mw, 2 turbines	Community Energy, Inc.
Garrett Somerset County	National Wind Power	May 2000	10.40 mw, 8 turbines	Green Mountain Energy





## New Wind Projects in Pennsylvania

Utility/Developer	Location	Status	Capacity	Online Date
Atlantic Renewable Energy Corp./Zilkha Renewable Energy	Fayette County	Construction August 2001	15.0 mw	September 2001
Atlantic Renewable Energy Corp./Zilkha Renewable Energy (Somerset)	Somerset County	Construction August 2001	9.0 mw	October 2001
National Wind Power	Canaan Twp., Wayne County	20-year contract for output signed	52.0 mw	2002/TBD



# New Wind Projects in Pennsylvania

Utility/Developer	Location	Status	Capacity	Online date
Global Winds Harvest, Inc.	Bear Creek & Jefferson Townships	Proposed	18.2 mw	2002
Atlantic Renewable Energy Corp./Zilkha Renewable	Meyersdale	Proposed	30.0 mw	TBD
Keystone Wind	Somerset County	Proposed	25.0 mw	TBD
Energy Unlimited	Mountaintop	Proposed	16.9 mw	TBD



# Financing Through Sustainable Energy Funds

Project/Developer	Amount	Financing
<b>Mill Run</b> , 15.0 mw Exelon/Community Energy, Inc./Atlantic Renewable Energy Corp./Zilkha Renewable Energy	Total of \$6 million	Production incentives
<b>Waymart</b> , 52 mw National Wind Power		
<b>Somerset</b> , 9 mw Atlantic Renewable Energy Corp./Zilkha Renewable Energy	\$3.6 million	Subordinated debt



# The Hottest Retail Market for Wind/Renewable Energy in 2002

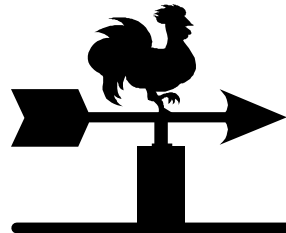
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## Duquesne Electric Service Territory

- Stranded cost charges will be removed from customers' electric bills beginning in early 2002
- For residential customers, stranded cost reduction will be about 4 cents per kwh, or 33% of their total bill
- The stranded cost reduction will be returned to customers in the form of:

Approximately 21% total rate reduction

Raising price to compare from 4.8 cents to about 5.6 cents



# Seize the Opportunity!

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- Opportunity for wind created by bill reduction and higher shopping credit
- Ask consumers to switch to wind and renewable products when CTC is removed
- Invest some of the savings from CTC elimination in renewables
- Continue to pay less for renewables than for system power prior to CTC elimination



# How?

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- Need retail, renewable energy products at less than 8.8 cents per kwh
- Marketing & education
- Message: Switch to Green and pay less!



# MAREC

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## Who does the Mid-Atlantic Renewable Energy Coalition include?

- Renewable Electricity Businesses: utilities, manufacturers, developers, marketers
- Government agencies: DOE, EPA, PA DEP, PA PUC, NJ DEP, NJ BPU, NJ OSB, Md DEP, VA SEO...
- Non-government agencies: environmental organizations, sustainable energy funds

## What does it do?

- Professional marketing advice and campaign
- Advertising program
- Free media exposure
- Promotional Events/Sponsorships
- Coordinate with other programs and support member activities

## Why do we need MAREC?

- Educate the public
- Promote strong consumer demand
- Build new renewable generation

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# Renewable Portfolio Standards in PECO CDS Agreement

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- 2% in 2001, increasing annually by 0.5%
- Qualified renewable resources include solar, wind, sustainable biomass – including landfill gas, geothermal and ocean power
- New Power – 299,300 customers – 100% landfill gas
- Green Mountain – 50,000 customers